

## **Cabinet – 24 July 2013**

### **Local Enterprise Partnership – Structural and Investment Strategy Development Funding.**

<b>Portfolio:</b>	Councillor Adrian Andrew, Deputy Leader and Regeneration and Transport
<b>Related portfolios:</b>	Regeneration & Transportation
<b>Service:</b>	Regeneration
<b>Wards:</b>	All
<b>Key decision:</b>	<b>Yes</b>
<b>Forward plan:</b>	<b>Yes</b>

#### **1. Summary**

- 1.1 In the 2012 Autumn Statement, Government announced that Local Enterprise Partnerships (LEP's) will receive an additional £250k for each of the two 2013/14 and 2014/15 financial years. They can use this from April 2013 to build the capacity and capability they will need to develop their Structural and Investment Fund Investment Strategies.
- 1.2 It will be necessary for a Local Authority to act as grant recipient and administer as Accountable Body the resultant grant payments and programme development.
- 1.3 Government will look further at how Technical Assistance from the 2014-2020 programme can be used to support Local Enterprise Partnerships and local partners, to then deliver / implement their Structural and Investment Fund Investment Strategies throughout the 2014-2020 structural fund programme.

#### **2. Recommendations**

- 2.1 That Cabinet agrees for the Council to act as the grant recipient for resources allocated to the Black Country LEP, for the development of its Structural and Investment Fund Investment Strategies
- 2.2 That Cabinet agrees for the Council to act in the role of Accountable Body for the grant programme, together with implementing the necessary governance arrangements for the duration of the funding.
- 2.3 That Cabinet approve the future use of this allocation as matching funding moving forward against new funding opportunities; including the 2014-2020 EU programme, delegating authority to the Executive Director – Regeneration, in consultation with the Regeneration & Transportation Portfolio Holder, to enter into the necessary agreements.

- 2.4 That Cabinet delegate authority to the Executive Director – Regeneration, in consultation with the Regeneration & Transportation Portfolio Holder, to allocate the grant funding to the Black Country LEP or its appointed body as appropriate.

### **3. Report detail**

- 3.1 In the Autumn Statement, Government announced that Local Enterprise Partnerships (LEP's) will receive an additional £250k for each of the next two years. They are able to use this from April 2013 to build the capacity and capability they will need to develop their Structural and Investment Fund Investment Strategies. They will get help from local teams from Department for Communities & Local Government (DCLG), Department for Work & Pensions (DWP), Department for Environment, Food and Rural Affairs (DEFRA) and Department for Business Innovation & Skills (BIS), who will advise on the development and delivery of strategies, including the technical aspects of compliance with EU rules.

- 3.2 The Structural and Investment Funds available in England are:

European Regional Development Fund (ERDF);  
European Social Fund (ESF);  
European Agricultural Fund for Rural Development (EAFRD) which is directed at rural areas; and  
European Maritime and Fisheries Fund (EMFF).

The Structural and Investment Funds exist to promote sustainable growth.

- 3.3 The Structural and Investment Funds for the 2014-2020 programming period will sit alongside the Single Local Growth Fund that was announced at the Budget as part of the Government's response to Lord Heseltine's review, 'No Stone Unturned'.
- 3.4 In England, The European Regional Development Fund, the European Social Fund and part of the European Agricultural Fund for Rural Development will be brought together into a 'Structural and Investment Fund Growth Programme', the focus of this report.
- 3.5 The majority of the funding in the Structural and Investment Fund Growth Programme will be allocated to Local Enterprise Partnership areas, which includes the Black Country.
- 3.6 Each Local Enterprise Partnership will lead the development of a Structural and Investment Fund Investment Strategy, which will form part of the Local Enterprise Partnership's wider economic plan. The Black Country Local Authorities and the Black Country Consortium are working collaboratively together in the production and delivery of the work required on behalf of the Local Enterprise Partnership.
- 3.7 Depending on the progress of the negotiations over the European Budget for 2014-2020 and the regulations governing use of the Funds, Structural and Investment Funds are likely to be available to Local Enterprise Partnerships from mid-2014 onwards.

- 3.8 Black Country officers planned for the introduction of the new programme and through the current European Union (EU) Technical Assistance (TA) funding we secured support to assist the Black Country to make the most of both existing and future EU programmes. Walsall Council is the Accountable Body and the employer for the small team tasked with this role.
- 3.9 The TA funded team of 3 officers, called the External Funding Team are situated within the Regeneration Directorate will be co-ordinating and leading on appropriate elements of the Investment Fund Strategy. This work will initially focus on the ERDF and ESF elements and the delivery of wider partner engagement in the process.
- 3.10 Government will look further at how Technical Assistance from the 2014-2020 programme can be used to support Local Enterprise Partnerships and local partners to deliver their Structural and Investment Fund Investment Strategies in 2014-2020. Supporting the transition from strategy to delivery, ensuring that the allocated resources are secured by applicants and the outcomes are maximised.
- 3.11 We will together with the Black Country Local Authorities look at how this we could use this funding allocation as matching funding to draw down EU funding through for example the new Technical Assistance funding available within the 2014-2020 programme. This could support the actual delivery of the Investment Strategy, maximising its impact and outcomes.
- 3.12 We still await final technical guidance relating to the format and content of the Structural and Investment Fund Investment Strategies, but the current timeframes require a draft submission in September 2013, with the final strategy submitted to government in January 2014.

#### **4. Council priorities**

- 4.1 Local Enterprise Partnerships are voluntary partnerships between local authorities and businesses. In helping to determine local economic priorities and lead economic growth and job creation it contributes positively towards the Council's 'Economic' priority as set out in the Corporate Plan 2011/12 – 2014/15.
- 4.2 This also reflects the Marmot principle from the review - Fair Society, Healthy Lives (2010) - of helping to create fair employment and good work for all.

#### **5. Risk management**

- 5.1 **Risk 1 – The relevant criteria are not met for the match funding moving forward if used to secure future EU Technical Assistance support.** (Medium Level Risk)

The grant is unringfenced and the overall allocations will provide up to £500k as potential match for additional funding in support of agreed work. Future conditions have not yet been set out, but these will apply to the future funding, if and when applied for.

Steps will be taken as needed when the criteria is set out to ensure these are met. As Accountable Body for both the funding and any staff appointed, the Council would be liable for any repayment of funds.

**5.2 Risk 2 – The administration of the Grant is not carried out in accordance with the Councils procedures. (Medium Level Risk)**

The grant will be administered in accordance with the Councils Grants manual and procedures, which will be assured through the appropriate council staff.

This will include working with the LEP or its nominated agents to ensure that the funding is utilised in accordance with the purpose for which it was approved.

**5.3 Risk 3 – The funding is utilised but the required strategies and appropriate delivery is not achieved. (Medium Risk)**

The programme will be administered by the council acting as Accountable Body through the Regenerations Directorates Strategic Regeneration Service area, who have appointed the External Funding Team to co-ordinate and lead on aspects of the work. They will be assisted by Finance and Legal services colleagues to ensure that the finding is accounted for, the necessary agreements are in place and to monitor progress against agreed timeframes and actions.

**6. Financial implications**

6.1 The Council will be the Accountable Body for the grant, but providing no additional contributions, so unless there are issues with fulfilling the grant criteria by the LEP or its appointed body, there will be no costs to the Council.

6.2 Any staff or administration costs occurred in support of the programme that are not already in place, will be calculated and charged to this programme allocation.

**7. Legal implications**

7.1 Legal Services will continue to work closely with officers to ensure that all necessary legal processes will in place to minimise the risk to the Council of being the accountable body, whilst ensuring that the process is not onerous.

7.2 A service level or similar agreement will be drawn up for the LEP to draw down the money.

**8. Property implications**

8.1 None

## **9. Health and wellbeing implications**

9.1 None

## **10. Staffing implications**

10.1 None

## **11. Equality implications**

11.1 None

## **12. Consultation**

12.1 The report was drafted in consultation with the Assistant Director for Regeneration. Initial consultation has been held with Legal and Finance officers and will continue throughout the preparation and delivery of the programme.

12.2 Any future feedback received will be built into the Grant agreement with the Black Country LEP's nominated body.

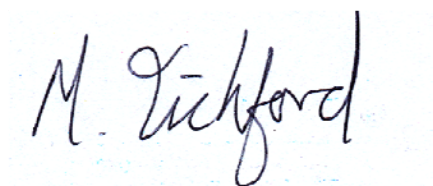
## **Background papers**

Structural and Investment Fund Strategies - Preliminary Guidance to LEP's April 2013

Structural and Investment Fund Strategies - Technical Annex 2013

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16 July 2013



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16 July 2013